Request for Proposal

To develop a handbook for
Auditing Human Resource Functions

February 5, 2020

Issued by:

Internal Audit Foundation
1035 Greenwood Blvd., Suite 401
Lake Mary, Florida 32746 USA

www.theiia.org/Foundation
1. Introduction

The Internal Audit Foundation (Foundation) is seeking an author, or team of authors, to collaborate on developing a Handbook for Internal Auditing of Human Resource Functions and is soliciting proposals in response to this Request for Proposal (RFP).

2. Project Background and Description

From 2008 to 2010, the IA Foundation published a series of booklets for internal auditing of human resource functions. The Foundation seeks to update and replace this series with one, inclusive handbook addressing key areas as noted in Section 3 below. (NOTE: Payroll will be made into a separate project and is not included in this scope.)

3. Project Scope and Deliverable

The scope includes three areas: how to help the auditor; how to deliver the content; and processes to manage and how to audit them.

The primary audience is internal audit practitioners – the auditor who is providing assurance for the human resource functions. Other audiences include: human resource professionals, students and university professors, and business management.

The scope should look at the following areas through the lens of COSO Implementation: Strategic – Operational – Compliance – Financial (COSO cube then internal control on other side).

Each of the following areas can be evaluated each of these ways: strategic, operational, financial, compliance:

1. Workforce Planning
   — Hire employees or engage contractors, or use technology/automation
   — Talent Acquisition, related sub processes

2. Talent Management and Leadership Development
   — Training
   — Succession Planning

3. Employee Engagement and Retention
   — Compensation Programs
   — Total Rewards Programs
   — Benefits
   — Pensions
   — Labor Relations
   — Career Paths
   — Terminations/Retention/Turnover
   — Ongoing Monitoring of former employees activities on social media, access to company data, etc. (collaboration between IT and HR)
   — Disciplinary Action/Misconduct
— Change Management
— Employee Communications
— Turnover relation to total comp programs
— Grievance

4. Human Safety
— how can IA provide assurance that employees are safe from physical, emotional, financial harm (additional considerations: contractors/vendor-management of) – mentioned in current HR book but not fully developed
— Physical, Health
— Emotional
— Financial
— Data Privacy (during and after employment)

Additional Considerations:
5. Contractor/Vendor Management
6. Culture/Ethics
7. HR Innovation
8. International Considerations/Regulations/Global Impacts – multinational considerations – include policies specific to different global areas
9. Enabling Technologies/Systems

Include a Red Flags section.

Explore how HR is helping management evaluate and execute corporate culture, policies, education, onboarding, etc. – key resource role.

The handbook should closely follow the Society for Human Resource Management (SHRM) general body of knowledge for human resource management.

The current HR booklets tend to be focused on process, not strategic. Instead, focus on areas important to stakeholders (not just what is easily auditable), for example:

— Compensation vs risk profile not in alignment, not following policy (some companies are now looking at claw back policies)
— Robotics, ethical issues with automation – how it’s programmed may make decisions that could be legally challenged, such as if there is discriminatory bias – what is the decision making for.
— Executive considerations
— Culture (senior management involved with)
— Technological, systems
— Data analytics (metrics for each area?) for payroll, employee sorting, reports – for automating processes
— Social media/reputational risks, monitoring, policies (within and without org) (Mining email words, trends to audit organizational culture, using enabling technologies)
— Emerging, global instability, global impacts
— Is HR continually innovating to meet future needs, bringing innovation into the organization?
OUTPUT of the HR Modules (for auditors):

1. Audit Objectives, Top Risks, and Common & Best Practice Controls
2. Governance Perspectives
3. Real world examples of business problems and risks for each scope area
   — Case studies
   — Industry metrics
   — Headlines
4. Examples of data analytics for each scope area
5. Audit Tools
   Sample R&C matrices/templates
   Industry specific
   Applying COSO
   Example Issues
6. Emerging Business Trends/Key Statistics
7. Related Fraud Scenarios?
8. HR Benchmarks
   — Internal Benchmarks (does outsourcing make sense for more efficiencies, etc?)
9. Links/References to additional (IIA) resources

4. Completion Date:

To be determined. See also paragraph 7 below for Project Timeline.

5. Submission Guidelines and Requirements

The following submission guidelines and requirements apply to this RFP:

First and foremost, only qualified individuals or firms with prior experience on projects such as this should submit proposals in response.

Proposals should include a summary page and appendices as described below, and should be organized as follows:

Proposal Summary Page
1) Proposal title (specific to the proposal, not the same as the name of the topic)
2) Primary author’s name, contact information, and credentials
3) Date the proposal is submitted

Project Description and Approach
1) Approach to the scope of work
2) Description/role of team members
3) Proposed annotated table of contents: this should include potential section/chapter titles along with two to three sentences describing each
4) Projected timeline for completion
5) Project budget
Author(s)
1) Brief description of qualifications and experience of each author
2) A review of author’s previous works, if applicable (books, articles, etc.)

Appendices
1) Curriculum vitae (CV) for each author (three pages, maximum)
2) Previous author affiliation with The IIA or Internal Audit Foundation (previous research or educational products published, volunteer participation, chapter officer, etc.)
3) References

6. Evaluation Criteria

The Foundation will evaluate proposals based on the following factors:
   a. Responsiveness to the requirements set forth in this RFP
   b. Current experience and knowledge of internal audit management
   c. Relevant past experience
   d. Samples of previous, relevant work
   e. Project budget and schedule

The Foundation reserves the right to award the bidder that presents the best value to the Foundation and to the internal audit profession as determined solely by the Foundation in its absolute discretion.

7. Project Timeline

The proposal award and project timeline is as follows: (to be completed by Foundation)

<table>
<thead>
<tr>
<th>Request for Proposal Issuance</th>
<th>Feb 2, 2020</th>
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</thead>
<tbody>
<tr>
<td>Questions and Clarification Period</td>
<td>Feb 2 – Mar 21, 2020</td>
</tr>
<tr>
<td>Responses to RFP Due</td>
<td>Mar 31, 2020</td>
</tr>
<tr>
<td>Selection of Top Bidders / Notification to Unsuccessful Bidders</td>
<td>April 30, 2020</td>
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<tr>
<td>Notification of Award and Contracting</td>
<td>May 1, 2020</td>
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<tr>
<td>Project Start</td>
<td>May 1, 2020</td>
</tr>
<tr>
<td>Project Completion (final draft accepted by IAF)</td>
<td>Tentatively Q1-Q2, 2021</td>
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8. Project Budget

Bidders should include their financial compensation expectations within their proposal. While price is a factor, other criteria will form the basis of our award decision, as more fully described in the Evaluation Criteria section above.

Typical compensation includes one-time payment at the completion/acceptance of the manuscript then ongoing royalties paid quarterly to the author thereafter.
9. Key Contacts and Project Management

Interested parties should submit proposals by no later than {date}, to:

Internal Audit Foundation
Attn: Candace Sacher
1035 Greenwood Blvd., Suite 401
Lake Mary, Florida 32746 USA
Candace.Sacher@theiia.org

To learn more about the Internal Audit Foundation, visit www.theiia.org/Foundation.